Dollars in millions except per share amounts

## 11. Stock Based Compensation

Under various SBC plans, senior and other management employees have received stock options and SARs to purchase 41 million shares of SBC common stock. As of December 31, 1996, SBC is authorized to issue options to purchase up to an additional 37 million shares remain authorized for issuance. Options issued through December 31, 1996 carry exercise prices equal to the market price of the stock at the date of grant and have maximum terms ranging from five to ten years. Depending upon the plan, vesting of options occurs up to three years from the date of grant.

In 1996 SBC elected to continue measuring compensation cost for these plans using the intrinsic value based method of accounting prescribed in Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" (FAS 123). Accordingly, no compensation cost for stock based compensation plans has been recognized other than for restricted stock and SARs which totaled $2 and $1 for 1996 and 1995, respectively. Had compensation cost for stock option plans been recognized using the fair value based method of accounting at the date of grant for awards in 1996 and 1995 as defined by FAS 123, SBC's net income (loss) would have been $3,250 and $(3,074) and net income (loss) per share would have been $3.53 and $(3.34).

Options and SARs held by the continuing employees of PAC at the time of the spin-off (see Note 15) were supplemented with an equal number of options and SARs for common shares of spun-off operations. The exercise prices for outstanding options and SARs held by continuing employees of PAC were adjusted downward to reflect the value of the supplemental spun-off operations' options and SARs. The balance sheet reflects a related liability equal to the difference between the current market price of spun-off operations stock and the exercise prices of the supplemental options outstanding (see Note 7). As of December 31, 1996, 2,182,369 supplemental spun-off operations options and SARs were outstanding with expiration dates ranging from 1997 to 2003. Outstanding options and SARs that were held by employees of the wireless operations at the spin-off date were replaced by options and SARs for common shares of spun-off operations. The spun-off operations assumed liability for these replacement options and SARs.

For purposes of these pro forma disclosures, the estimated fair value of the options granted after 1994 is amortized to expense over the options' vesting period. Because most employee options vest over a two to three year period, these disclosures will not be indicative of future pro forma amounts until the FAS 123 rules are applied to all outstanding non-vested awards. The fair value for these options was estimated at the date of grant, using a Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 1996 and 1995: risk-free interest rate of 6.26% and 6.34%; dividend yield of 4.92% and 3.61%; expected volatility factor of 18% and 18%; and expected option life of 4.7 and 4.6 years.

Dollars in millions except per share amounts

Information related to options and SARs is summarized below:

| | Number | Weighted Average Exercise Price |
|---|---|---|
| Outstanding at January 1, 1994 | 14,318,818 | $35.25 |
| Granted | 10,504,532 | 42.72 |
| Exercised | (1,304,357) | 32.14 |
| Forfeited/Expired | (505,278) | 38.04 |
| Replaced - Spun-off operations | (1,019,633) | 33.17 |
| Outstanding at December 31, 1994 | 21,994,082 | 39.03 |
| (7,942,775 exercisable at weighted average price of $34.60) | | |
| Granted | 8,367,822 | 46.97 |
| Exercised | (2,186,670) | 33.79 |
| Forfeited/Expired | (754,684) | 42.71 |
| Outstanding at December 31, 1995 | 27,420,550 | 41.77 |
| (12,762,259 exercisable at weighted average price of $38.10) | | |
| Granted | 12,321,638 | 45.96 |
| Exercised | (1,883,710) | 37.45 |
| Forfeited/Expired | (759,276) | 43.11 |
| **Outstanding at December 31, 1996** | **37,099,202** | **$43.35** |
| **(17,761,413 exercisable at weighted average price of $40.25)** | | |

Information related to options and SARs outstanding at December 31, 1996:

| Exercise Price Range | $22.00-26.99 | $27.00-39.99 | $40.00-44.99 | $45.00-57.38 |
|---|---|---|---|---|
| Number of options and SARs: | | | | |
| Outstanding | 78,305 | 8,315,629 | 12,986,852 | 15,718,416 |
| Exercisable | 78,305 | 4,501,735 | 11,653,036 | 1,528,337 |
| Weighted average exercise price: | | | | |
| Outstanding | $24.05 | $ 35.26 | $ 42.04 | $ 48.81 |
| Exercisable | $24.05 | $ 33.42 | $ 42.07 | $ 47.35 |
| Weighted average remaining contractual life | 1.8 years | 4.9 years | 7.2 years | 6.2 years |

The weighted-average grant-date fair value of each option granted during the year was $6.90 for 1996 and $8.31 for 1995.

Options and SARs outstanding but not exercisable at December 31, 1996 include 3,811,502 held by PAC employees. All options and SARs held by PAC employees became exercisable effective with the merger.

## 12. Shareowners' Equity

**Share Repurchases** - From time to time, SBC has repurchased shares of common stock for distribution, to offset shares distributed through its employee benefit plans and SBC's Dividend Reinvestment Plan, in connection with certain acquisitions or for general purposes. In January 1997, the Board of Directors of SBC (Board) rescinded all authorizations to repurchase common stock.

**Guaranteed Obligations of Employee Stock Ownership Plans** - SBC's guarantee of certain ESOP notes issued by savings plans (see Note 10) is presented as a reduction to shareowners' equity and an increase in long-term debt. The amount of debt guaranteed decreases as the notes are repaid.

**Shareowners' Rights Plan** - The Shareowners' Rights Plan (Plan) becomes operative in certain events involving the acquisition of 20% or more of SBC's common stock by any person or group in a transaction not approved by the Board, or the designation by the Board of a person or group owning more than 10% of the outstanding stock as an adverse person, as provided in the Plan. Upon the occurrence of these events, each right, unless redeemed by the Board, generally entitles the holder (other than the holder triggering the right) to purchase an amount of common stock of SBC (or, in certain circumstances, of the potential acquiror) having a value equal to two times the exercise price of $160. The rights expire in January 1999. After giving effect to a stock split in May 1993, effected in the form of a stock dividend, each share of common stock represents one-half of a right.

The rights have certain antitakeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire SBC on terms not approved by the Board.

The rights should not interfere with any merger or other business combination approved by the Board since the rights may be redeemed.

## 13. Acquisitions and Dispositions

In October 1995, SBC combined its United Kingdom cable television operations with those of TeleWest Communications, P.L.C., a publicly held joint venture between Telecommunications, Inc. and U S WEST, Inc. The resulting entity, TeleWest P.L.C. (TeleWest), is the largest cable television operator in the United Kingdom. SBC owns approximately 15% of the new entity and accounts for its investment using the cost method of accounting. Restrictions expiring over the next four years exist on the sale of SBC's interest in TeleWest. SBC recorded an after-tax gain of $111 associated with the combination.

During 1995, SBC purchased at auction PCS licenses in Los Angeles-San Diego, California; San Francisco-Oakland-San Jose, California; Memphis, Tennessee; Little Rock, Arkansas; and Tulsa, Oklahoma for approximately $769. During 1996, SBC received several AT&T cellular networks in Arkansas in exchange for SBC's PCS licenses in Memphis and Little Rock and other consideration.

During 1994, SBC purchased two cable television systems located in Montgomery County, Maryland, and Arlington County, Virginia, for $650. Also in 1994, SBC acquired the domestic wireless business of Associated Communications Corporation (Associated) for $705, including wireless systems in Buffalo, Rochester, Albany and Glens Falls, New York, and in two separate transactions purchased smaller wireless systems in Syracuse, Utica and Ithaca, New York, which are adjacent to the Associated properties.

In October 1994, SBC formed a strategic alliance with Compagnie Génerale des Eaux (CGE), a French diversified public company. Through this alliance, SBC acquired an indirect 10% ownership of Société Francaise du Radiotelephone S.A. (SFR), a nationwide cellular company in France, and minority ownership interests in other communications businesses controlled by CGE, and CGE obtained an effective 10% interest in SBC's wireless operations in Washington, D.C.-Baltimore and surrounding rural markets. SBC and CGE both made contributions to the alliance. SBC's effective contribution was $376. This investment is accounted for under the equity method of accounting.

In addition to payments shown in the Consolidated Statements of Cash Flows, the 1994 acquisitions were also financed through the issuance of 16 million new and treasury shares, valued at approximately $660, and the issuance of approximately $360 of long-term debt. All of the acquisitions were accounted for under the purchase method of accounting. The purchase prices in excess of the underlying fair value of identifiable net assets acquired are being amortized over periods not to exceed 40 years. Results of operations of the properties acquired have been included in the consolidated financial statements from their respective dates of acquisition.

The above developments did not have a significant impact on consolidated results of operations for 1995 and 1994, nor would they had they occurred on January 1 of the respective periods.

**Notes to Consolidated Financial Statements, continued**

Dollars in millions except per share amounts

## 14. Additional Financial Information

| Balance Sheets | | December 31, 1996 | 1995 |
|---|---|---|---|
| Accounts payable and accrued liabilities | | | |
| Accounts payable | | $ 2,741 | $ 2,639 |
| Accrued taxes | | 893 | 472 |
| Advance billing and customer deposits | | 611 | 672 |
| Compensated future absences | | 479 | 477 |
| Accrued interest | | 279 | 265 |
| Accrued payroll | | 194 | 173 |
| Other | | 1,387 | 1,328 |
| Total | | $ 6,584 | $ 6,026 |

| Statements of Income | 1996 | 1995 | 1994 |
|---|---|---|---|
| Interest expense incurred | $ 948 | $ 1,000 | $ 935 |
| Capitalized interest | (136) | (43) | - |
| Total interest expense | $ 812 | $ 957 | $ 935 |
| Allowance for funds used during construction | - | $ 48 | $ 48 |

| Statements of Cash Flows | 1996 | 1995 | 1994 |
|---|---|---|---|
| Cash paid during the year for: | | | |
| Interest | $ 908 | $ 996 | $ 923 |
| Income taxes | $ 1,283 | $ 1,220 | $ 1,665 |

No customer accounted for more than 10% of consolidated revenues in 1996 or 1995. Approximately 10% of SBC's consolidated revenues in 1994 were from services provided to AT&T Corp. No other customer accounted for more than 10% of consolidated revenues in 1994.

Several subsidiaries of SBC have negotiated contracts with the Communications Workers of America (CWA), none of which is subject to renegotiation in 1997. Approximately 66% of SBC's employees are represented by the CWA.

## Notes to Consolidated Financial Statements, continued

Dollars in millions except per share amounts

### 15. Spun-Off Operations

Effective April 1, 1994, PAC spun off to shareowners its domestic and international cellular, paging and other wireless operations in a one-for-one stock distribution of its 86% interest in AirTouch Communications, Inc. The stock distribution was recorded as a stock dividend from paid-in capital at the carrying amount of the net assets of spun-off operations. As a result, PAC's total assets and shareowners' equity were each reduced by $2.9 billion in 1994. The stock distribution itself was a non-cash transaction, which did not affect PAC's cash flow statement.

Under a separation agreement, any unrecorded non-tax contingent liabilities that become certain after the spin-off date will be allocated based on origin of the claim, and acts by, or benefits to, PAC or the spun-off operations. In addition, PAC's responsibilities have been terminated in connection with any future obligations under the spun-off operations' joint venture agreement with Cellular Communications, Inc., and under various financial instrument contracts.

PAC's previous interests in the net revenues and expenses of the spun-off operations prior to April 1, 1994, are classified separately as income from spun-off operations in the income statement.

The components of income from operations through March 31, 1994 are summarized below:

| | | |
|---|---|---|
| Operating revenues | $ | 259 |
| Operating expenses | | 225 |
| Operating income | | 34 |
| Other income (expense)-net | | 22 |
| Income before income taxes | | 56 |
| Income taxes | | 29 |
| Income before minority interest | | 27 |
| Minority interest of other shareowners | | (4) |
| Income from spun-off operations | $ | 23 |

PAC's cash flow statement for 1994 includes separately the cash flows of spun-off operations.

### 16. Restructuring Reserve

In December 1993 a reserve was established to record the incremental cost of force reductions associated with restructuring PacBell's business processes through 1997. This reserve is to cover the incremental severance costs associated with terminating more than 14,000 employees through 1997. It is also to cover the incremental costs of consolidating and streamlining operations and facilities to support this downsizing initiative. The remaining reserve balance as of December 31, 1996 and 1995, was $97 and $228, respectively.

## 17. Commitments And Contingencies

**Purchase Commitments** - In December 1994, PacBell contracted for the purchase of up to $2,000 of Advanced Communications Network ("ACN") facilities, which incorporated new technologies. During 1995, the ability to deploy the facilities outstripped the ACN vendors' ability to deliver necessary products and software. Accordingly, management decided to suspend construction at certain sites, which reduced the expected cost to less than $700. If ACN facilities meet certain quality and performance criteria (the Network Test), PacBell is committed to purchase the ACN facilities in 1998. If ACN facilities are acquired, due to competition or other factors affecting PacBell's ability to recover its investment in these facilities, their value to PacBell could be materially impaired. If ACN facilities fail the Network Test, PacBell will not be committed to buy the ACN facilities but might be liable to reimburse the principal ACN vendor for some construction costs up to $300, which would also result in a material charge

As of December 31, 1996, PacBell had purchase commitments of about $208 remaining in connection with its previously announced program for deploying an all digital switching platform with ISDN and SS-7 capabilities.

**Revenues Subject to Refund** - In 1992, the CPUC issued a decision adopting, with modification, FAS 106, "Employers' Accounting for Postretirement Benefits Other than Pensions," for regulatory accounting purposes. Annual price cap decisions by the CPUC granted PacBell approximately $100 in each of the years 1993-1996 for partial recovery of higher costs under FAS 106. In October 1994 the CPUC reopened the proceeding to determine the criteria for exogenous cost treatment and whether PacBell should continue to recover these costs. The CPUC's order also held that related revenues collected after October 12, 1994, were subject to refund plus interest pending this future proceeding. Subsequently, the CPUC reaffirmed that postretirement benefits costs are appropriately recoverable in PacBell's price cap filings.

**Property Tax Investigation** - In 1992, a settlement agreement was reached between the State Board of Equalization, all California counties, the State Attorney General, and 28 utilities, including PacBell, on a specific methodology for valuing utility property for property tax purposes for a period of eight years. The CPUC opened an investigation to determine if any resulting property tax savings should be returned to customers. Intervenors have asserted that as much as $20 of annual property tax savings should be treated as an exogenous cost reduction in PacBell's annual price cap filings. These intervenors have also asserted that past property tax savings totaling as much as approximately $70 as of December 31, 1996, plus interest should be returned to customers. Management believes that, under the CPUC's regulatory framework, any property tax savings should be treated only as a component of the calculation of shareable earnings and not as an exogenous cost. In an Interim Opinion issued in June 1995, the CPUC decided to defer a final decision on this matter pending resolution in a separate proceeding of the criteria for exogenous cost treatment under its regulatory framework.

**Notes to Consolidated Financial Statements, continued**

Dollars in millions except per share amounts

## 18. Quarterly Financial Information (Unaudited)

| Calendar Quarter | Total Operating Revenues | Operating Income | Net Income (Loss) | Earnings per Common Share | Stock Price [4] High | Stock Price [4] Low | Stock Price [4] Close |
|---|---|---|---|---|---|---|---|
| **1996** | | | | | | | |
| First [1] | $ 5,574 | $ 1,458 | $ 888 | $ 0.96 | $ 60.250 | $ 49.750 | $ 52.625 |
| Second | 5,738 | 1,489 | 803 | 0.87 | 50.750 | 46.250 | 49.250 |
| Third | 5,957 | 1,532 | 867 | 0.94 | 51.000 | 46.000 | 48.125 |
| Fourth | 6,217 | 1,357 | 721 | 0.79 | 55.250 | 47.000 | 51.875 |
| Annual [1] | $ 23,486 | $ 5,836 | $ 3,279 | $ 3.56 | | | |
| **1995** | | | | | | | |
| First | $ 5,164 | $ 1,233 | $ 695 | $ 0.76 | $ 43.875 | $ 39.625 | $ 42.000 |
| Second | 5,256 | 1,301 | 712 | 0.78 | 47.875 | 41.625 | 47.625 |
| Third [2] | 5,567 | 1,432 | (5,207) | (5.64) | 55.125 | 45.500 | 55.000 |
| Fourth [3] | 5,725 | 1,154 | 736 | 0.80 | 58.500 | 53.125 | 57.250 |
| Annual [2] | $ 21,712 | $ 5,120 | $ (3,064) | $ (3.33) | | | |

(1) Net Income and Earnings per Common Share reflect a cumulative effect of accounting change of $90 or $0.10 per share from change in accounting for directory operations.

(2) Net Loss and Earnings per Common Share reflect an extraordinary loss of $6,022, or $6.55 per share, from discontinuance of regulatory accounting.

(3) Operating Income reflects $139 in selling, general and administrative expenses associated with a strategic realignment of functions. These expenses include postemployment benefits for approximately 2,400 employees arising from the consolidation of operations within the five-state area, streamlining support and administrative functions and integrating financial systems.

Net Income and Earnings per Common Share reflect after-tax charges of $88 for the strategic realignment of functions and $11 for refinancing of debt and an after-tax gain of $111 from the merger of SBC's United Kingdom cable television operations into TeleWest. The net of these transactions was $12, or $0.01 per share.

(4) Represents historical trading of SBC common stock. Prices have not been adjusted to reflect the merger with PAC.

(b) Exhibits

| | |
|---|---|
| Exhibit 18 | Preferability letter on changes in accounting. |
| Exhibit 23-a | Consent of Ernst & Young LLP. |
| Exhibit 23-b | Consent of Coopers & Lybrand L.L.P. |
| Exhibit 27 | Financial Data Schedule. |

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SBC Communications Inc.

/s/ Donald E. Kiernan
Donald E. Kiernan
Senior Vice President, Treasurer
and Chief Financial Officer

May 8, 1997

**EXHIBIT INDEX**

| Exhibit Number | |
|---|---|
| 18 | Preferability letter on changes in accounting. |
| 23-a | Consent of Ernst & Young LLP. |
| 23-b | Consent of Coopers & Lybrand L.L.P. |
| 27 | Financial Data Schedule. |

EXHIBIT 18

May 8, 1997

Mr. Donald Kiernan
Senior Vice President, Treasurer and
Chief Financial Officer
SBC Communications Inc.
175 W. Houston Street
San Antonio, Texas 78205

Dear Mr. Kiernan:

Note 3 of Notes to Consolidated Financial Statements of SBC Communications Inc. (SBC) included in its Form 8-K filed in connection with the merger of SBC and Pacific Telesis Group (PAC) describes changes in the methods of accounting for pensions, postretirement benefits, and sales commissions. You have advised us that you believe that the changes are to conform the accounting methods of SBC and PAC and that the new methods are preferable because the new methods for pensions and postretirement benefits are more widely used and the new method for sales commissions is prevalent industry practice.

We conclude that the changes in the methods of accounting for the items described above are to acceptable alternative methods which, based on your business judgment to make these changes for the reasons cited above, are preferable in your circumstances.

ERNST & YOUNG LLP

EXHIBIT 23-a

## CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Forms S-8) pertaining to the SBC Savings Plan and Savings and Security Plan (Nos. 33-54309 and 333-24295), the Stock Savings Plan, Management Stock Savings Plan and Stock Based Savings Plan (Nos. 33-37451 and 33-54291), the SBC Communications Inc. 1992 Stock Option Plan (No. 33-49855) and the SBC Communications Inc. 1995 Management Stock Option Plan (No. 33-61715), and in the Registration Statements (Forms S-3) pertaining to the SBC Communications Inc. Dividend Reinvestment Plan (No. 333-08979), and SBC Communications Capital Corporation and SBC Communications Inc. (Nos. 33-45490 and 33-56909), and in the related Prospectuses of our report dated February 14, 1997 (except Note 3, as to which the date is April 1, 1997), with respect to the supplemental consolidated financial statements included in this Current Report ( Form 8-K) for the year ended December 31, 1996.

ERNST & YOUNG LLP

San Antonio, Texas
May 7, 1997

EXHIBIT 23-b

# CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Form 8-K of SBC Communications Inc. of our report dated February 27, 1997, on our audits of the consolidated financial statements and financial statement schedule of Pacific Telesis Group and Subsidiaries as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996.

Coopers & Lybrand L.L.P.

San Francisco, California
May 8, 1997

EXHIBIT 27

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THIS SCHEDULE CONTAINS SUMMARY FINANACIAL INFORMATION EXTRACTED FROM SBC COMMUNICATIONS INC.'S DECEMBER 31, 1996 SUPPLEMENTAL CONSOLIDATED FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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<F1> THIS AMOUNT IS IMMATERIAL.
<F2> NET SALES OF TANGIBLE PRODUCTS IS NOT MORE THAN 10% OF TOTAL OPERATING REVENUES AND THEREFORE HAS NOT BEEN STATED SEPARATELY IN THE FINANCIAL STATEMENTS PURSUANT TO REGULATION S-X, RULE 5-03(B). THIS AMOUNT IS INCLUDED IN THE "TOTAL REVENUES" TAG.
<F3> COST OF TANGIBLE GOODS SOLD IS INCLUDED IN COST OF SERVICES AND PRODUCTS IN THE FINANCIAL STATEMENTS AND THE "TOTAL-COST" TAG, PURSUANT TO REGULATION S-X,RULE 5-03(B).
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**EXHIBIT 99**

# REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareowners
of Pacific Telesis Group:

We have audited the accompanying consolidated balance sheets of Pacific Telesis Group and Subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, shareowners' equity, and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pacific Telesis Group and Subsidiaries as of December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the basis financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

As discussed in Note A to the Consolidated Financial Statements, Pacific Bell, a subsidiary of Pacific Telesis Group, changed its method of recognizing directory publishing revenues and related expenses effective January 1, 1996. Also discussed in Note A, Pacific Bell discontinued its application of Statement of Financial Accounting Standards No. 71 during 1995.

/s/ Coopers & Lybrand L.L.P.

San Francisco, California
February 27, 1997

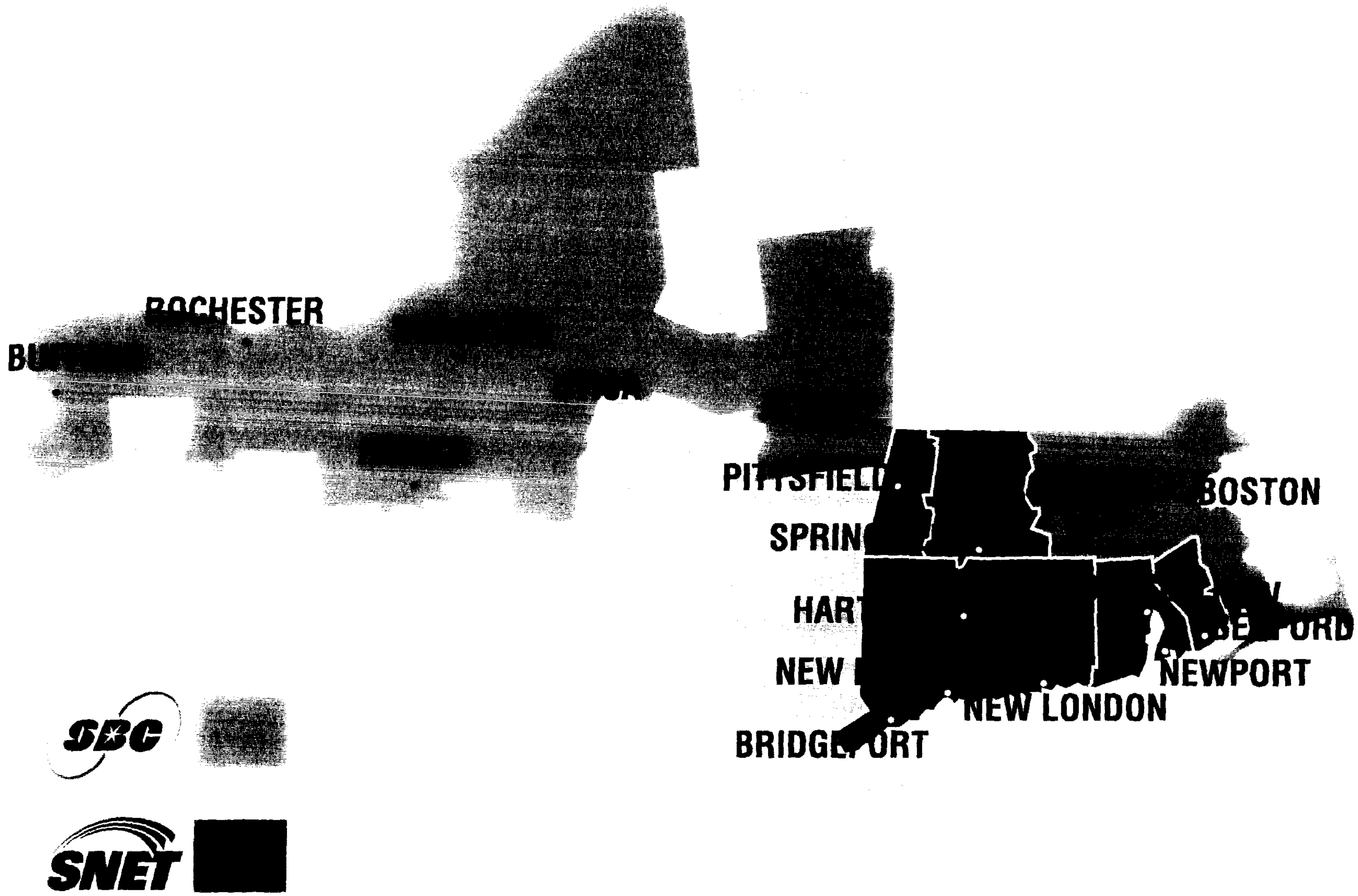
ATTACHMENT F

SBC's 1997 GROWTH PROFILE

ATTACHMENT G

CELLULAR COVERAGE MAP AND MATRIX

# SBC's and SNET's Complementary Cellular Properties



# CMRS Service Territories in New England and Upstate New York (by state)*

| | Bell Atlantic | Sprint PCS | AT&T Wireless | Nextel | Omni-point | SBC | SNET |
|---|---|---|---|---|---|---|---|
| Conn. | X | X | X | X | X | | X |
| Maine | X | X | X | X | | | |
| Mass. | X | X | X | X | X | X | X |
| N.H. | X | X | X | X | X | X | |
| N.Y. | X | X | X | X | X | X | |
| R.I. | X | X | X | X | | | X |
| Vermont | X | X | | X | X | | |

*Carriers authorized to provide CMRS service in a portion of (or all of) the state.

Exhibit K

**Part 25 Authorizations**

SNET Personal Vision, Inc.

| Call Sign | Nature of Service | Class of Station | Type of Facility |
|---|---|---|---|
| E960402 | Fixed Satellite | Fixed Earth Station | Receive-Only |
| E960403 | Fixed Satellite | Fixed Earth Station | Receive-Only |
| E970446 | Fixed Satellite | Fixed Earth Station | Receive-Only |

A current Form 430 for the Transferee, SBC Communications Inc., has been filed as an attachment to the Form 490 applying for the Commission's consent to transfer control of the licenses held by SNET Cellular, Inc. (call signs KNKN849, et al.) from Southern New England Telecommunications Corporation to SBC Communications Inc. This Form 490 was filed concurrently with this Form 312.

Attachment A

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

o An oversize page or document (such as a map) which was too large to be scanned into the RIPS system.

o Microfilm, microform, certain photographs or videotape.

✓ Other materials which, for one reason or another, could not be scanned into the RIPS system.

The actual document, page(s) or materials may be reviewed by contacting an Information Technician. Please note the applicable docket or rulemaking number, document type and any other relevant information about the document in order to ensure speedy retrieval by the Information Technician.

ATTACHMENT F

GROWTH PROFILE

(SEE PART 22 FOR PROFILE)